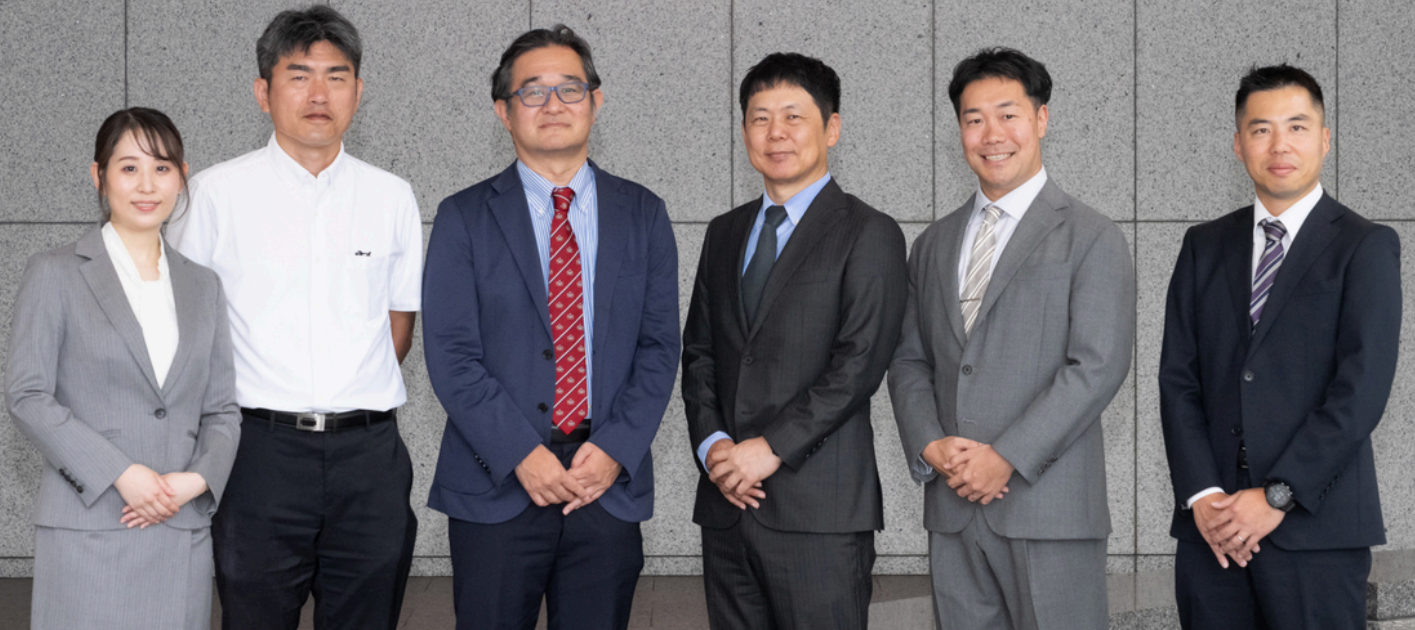


## JGC Holdings Corporation Case Study



### Thomson Reuters Global Trade Management Solution

#### Anticipating and Avoiding Potential Risks: Beyond Traditional Capabilities, Major Management Challenges

## The Challenge

JGC Holdings Corporation is a leading engineering company in Japan, engaged in global business, managing large-scale LNG EPC projects exceeding 1 trillion yen per case.

Operating on the international stage, the company is susceptible to the impacts of national security policies and geopolitical risks inherent to its business activities. Presently, it is grappling with numerous repercussions stemming from recent sanctions against Russia, as well as the sanctions and export regulations linked to US-China tensions. These challenges include escalated construction costs and schedule delays. For a continued stability of its operations, it is essential to diligently monitor the trends of such sanctions and export regulations. Establishing a system that can rapidly and accurately track global affairs is more important than ever. This not only encompasses compliance with laws and regulations but also involves anticipating and mitigating potential risks posed by stakeholders, presenting a significant management challenge.

To address this challenge, which demands advanced and specialized knowledge, the existing systems are deemed inadequate given the current complexity. In response, the company established a new 'Economic Security and Geopolitical Risk Task Force' in 2023. This task force is dedicated to swiftly identifying geopolitical risks, analyzing their political impacts, discuss findings and reporting them to management. The objective is to minimize risks arising from geopolitical factors.

# The Solution

**With a new system introduced, valuable experts can now focus on more essential tasks.**



In response to the continuous establishment of new businesses and a significant increase in operational volume, we faced mounting trade and export control risks. This environment made it challenging to quickly gather and analyze accurate information.

Additionally, the accelerating shortage of human resources has made specialized personnel in export control globally scarce and difficult to increase, posing a significant challenge. To overcome this, we recognized the necessity of leveraging technology to streamline operations. This approach helps mitigate the risks of compliance violations that can arise from information shortages and oversights.

To significantly improve operational efficiency, we implemented Thomson Reuters' **ONESOURCE DENIED PARTY SCREENING** solution.

By automating the previously manual screening process with the system, we aim to minimize the risk of oversight and missed confirmations. This automation allows personnel, who were previously engaged in manual screening, to focus on more critical tasks. Consequently, the company is establishing a framework that optimizes valuable human resources to better identify and mitigate significant management risks.

## **Ease of use: the deciding factor Intuitive interface accessible for all departments**

Trade is ideally conducted freely, but recent years have seen the establishment of various regulations and sanctions aimed at maintaining international peace. The export control team at JGC Holdings, along with the group's security management operations, is tasked with ensuring that their trade activities comply with these regulations and sanctions to mitigate risks. This involves daily screening of transaction partners and customers against export regulations and sanctions lists, a process that is both time-consuming and burdensome when done manually.

To improve operational efficiency, we had been using various systems for some time. However, previous systems presented issues such as excessive information, poor usability, and limitations on the number of accounts. These challenges led the company to continue searching for a more compatible solution.

During an online search, we encountered Thomson Reuters' ONESOURCE Denied Party Screening. Kaori Matsumura, Assistant Manager of the Trade Compliance Team at the Legal and Governance Unit Governance Headquarters Office states, "I became interested in the system due to its globally reputable provider, Thomson Reuters. After attending a seminar on security trade management hosted by Thomson Reuters and receiving a detailed explanation of the system's functions and features, I was confident that it could address the existing system's challenges. Consequently, I decided to adopt its solution."

The new system's user-friendly interface and intuitive operation were significant factors in the decision to implement it. Employees from various departments, such as sales and procurement, frequently view the screening results. The ability to quickly grasp these results without complex operations was highly attractive. Additionally, the system's design ensures that the information is not overwhelming or overly specialized, making it accessible to those without expertise in export control. This ease of use has facilitated smooth integration into daily operations across multiple departments.



**Mr. Tetsu Kurata**  
Executive Officer General Council  
JGC Holdings Corporation

**Given Thomson Reuters' established track record in the global market and their accumulated expertise and knowledge in this field, we look forward to their support as a partner in strengthening our trade compliance. We expect not only the system but also additional support to enhance our compliance efforts.**



## Unlimited accounts, compatible with existing systems Future global integration in sight

The ability for all stakeholders to have accounts without additional fees significantly enhances operational efficiency. This feature is particularly beneficial as foreign personnel conduct screenings at overseas locations. The system's capability to switch between Japanese and English displays is one of the strengths of ONESOURCE Denied Party Screening. Currently used as a standalone system, there are plans to integrate it with other systems within the group for global utilization.

When utilized globally, the high brand recognition of Thomson Reuters provides a significant advantage. During meetings with customers, we are often asked, "Which screening system are you using?" We respond with "Thomson Reuters' system" which often elicits a reassuring comment, "That makes us feel secured." In the field of export control, the accuracy and freshness of screening lists are crucial to mitigating significant risks, making the credibility of the system itself important. Using the well-regarded Thomson Reuters system in the global market reassures customers as they comment "In the end, it led to building trust in our company."

ONESOURCE Denied Party Screening covers import and export regulatory information in over 210 countries and regions. It is supported by more than 190 specialized staff who monitor regulations 365 days a year. This continuous monitoring ensures that the system responds to the latest regulations and changes, thereby minimizing business risks for customers.



**Ms. Kaori Matsumura**  
Assistant Manager  
Governance Headquarters  
Legal and Governance Unit Trade Compliance Team

After receiving a detailed explanation of the functions and features of ONESOURCE DENIED PARTY SCREENING, we were confident that it could address almost all the challenges of our existing system, leading to our decision to adopt the solution.

## The Future

### Further strengthening compliance is the key to sustainable management

In recent years, interest in trade compliance has significantly increased among business partners, customers, investors, and financial institutions. The goal of our export control team is to establish a system that can respond quickly and accurately to any inquiries or requests, protect the group and its stakeholders from compliance violation risks, and contribute to sustainable management.

Mr. Takao Sasayama, Manager of the Trade Compliance Team at the Governance Headquarters Office, Legal and Governance Unit, emphasized the importance of this goal. He stated, "To achieve this, we will continue to utilize Thomson Reuters' system. By implementing high-precision automated screening, we can save time and dedicate our efforts to new, risk-based initiatives. We will strive to further strengthen our compliance foundation."

Additionally, Mr. Sasayama highlighted the company's commitment to providing greater reliability and transparency to customers and business partners. He noted, "By utilizing Thomson Reuters' ONESOURCE Denied Party Screening, we can reduce trade compliance risks and support sustainable business practices."



**Mr. Takao Sasayama**  
Manager  
Governance Headquarters  
Legal and Governance Unit Trade Compliance Team

By leveraging Thomson Reuters' system for high-precision automated screening, we aim to utilize the time saved through automation to implement new initiatives based on a risk-based approach. This will help us further strengthen our compliance foundation and enhance our overall compliance efforts.

## Contact us

Questions about ONESOURCE Denied Party Screening?  
We're here to support you.



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